

Senate Study Bill 1156 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act exempting from the sales tax certain items and services
2 sold to a nonprofit human blood collection and processing
3 establishment, including effective date and retroactive
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2017, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 44. The sales price of chemicals, solvents,
4 sorbents, or reagents sold, or test laboratory services
5 furnished, to a nonprofit human blood collection and processing
6 establishment that meets the definition of establishment in 21
7 C.F.R. §607.3(c).

8 Sec. 2. REFUNDS. Refunds of taxes, interest, or penalties
9 that arise from claims resulting from the enactment of
10 this Act, for sales occurring between July 1, 2005, and the
11 effective date of this Act, shall be limited to twenty-five
12 thousand dollars in the aggregate and shall not be allowed
13 unless refund claims are filed prior to October 1, 2017,
14 notwithstanding any other provision of law to the contrary.
15 If the amount of claims totals more than twenty-five thousand
16 dollars in the aggregate, the department of revenue shall
17 prorate the twenty-five thousand dollars among all claimants in
18 relation to the amounts of the claimants' valid claims.

19 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
20 immediate importance, takes effect upon enactment.

21 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
22 retroactively to July 1, 2005.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill exempts from the sales tax the sales price of
27 chemicals, sorbents, or reagents sold, or test laboratory
28 services furnished, to a nonprofit human blood collection
29 and processing establishment that meets the definition of
30 establishment in 21 C.F.R. §607.3(c). That federal regulation
31 defines "establishment" to mean a place of business under
32 one management at one general physical location. The term
33 includes, among others, human blood and plasma donor centers,
34 blood banks, transfusion services, other blood product
35 manufacturers, and independent laboratories that engage in

1 quality control and testing for registered blood product
2 establishments.

3 By operation of Code section 423.6, an item exempt from the
4 imposition of the sales tax is also exempt from the use tax
5 imposed in Code section 423.5.

6 The bill limits refunds of taxes, interest, or penalties
7 arising from claims resulting from the enactment of the bill
8 for sales occurring between July 1, 2005, and the effective
9 date of the bill to \$25,000 in the aggregate, and requires such
10 claims to be filed prior to October 1, 2017. If the aggregate
11 amount of refund claims exceeds \$25,000, the department of
12 revenue is required to prorate the \$25,000 among all claimants
13 in relation to each claim amount.

14 The bill takes effect upon enactment and applies
15 retroactively to July 1, 2005.